

FEDERAL ELECTION COMMISSION
999 E Street, N.W.
Washington, D.C. 20463

FIRST GENERAL COUNSEL'S REPORT

MUR 5970

DATE COMPLAINT FILED January 29, 2008

DATE OF NOTIFICATION February 5, 2008

LAST RESPONSE RECEIVED May 27, 2008

DATE ACTIVATED April 16, 2008

EXPIRATION OF SOL February 12, 2011

COMPLAINANT Lori Sherwood

RESPONDENTS Donna Edwards for Congress and Janice Edwards, in her official capacity as Treasurer
Donna Edwards
ARCA Foundation (creAting Real ChAnge)
League of Conservation Voters
Friends of the Earth
EMILY's List and Ranny Cooper, in his official capacity as Treasurer
1199 SEIU
1199 SEIU Federal Political Action Fund and Patrick Gaspard, in his official capacity as Treasurer
They Work For Us, Inc
SEIU Local 100
Citizens Consulting, Inc
Citizens Services, Inc
ACORN
Communities Voting Together

RELEVANT STATUTES 2 U S C § 434
2 U S C § 441a
11 C F R § 100.52
11 C F R § 109.21

INTERNAL REPORTS CHECKED FEC Disclosure Reports

FEDERAL AGENCIES CHECKED Internal Revenue Service

I. INTRODUCTION

This matter involves allegations that Donna Edwards for Congress and Janice Edwards, in her official capacity as Treasurer ("Edwards Committee" or "Committee"), and Donna Edwards, a congressional candidate in Maryland, accepted approximately \$130,000 in contributions from organizations that benefited from her work in the private sector. The complaint alleges that many organizations made excessive contributions and excessive in-kind contributions through coordination with her Committee.¹ The complaint further alleges that the Committee and other respondents violated reporting provisions of the Act due to the above violations.

As more fully set forth below, we recommend that the Commission find no reason to believe that any of the respondents have violated the Act.

II. FACTUAL AND LEGAL ANALYSIS

The complaint makes many broad allegations regarding "potentially questionable" relationships among various groups, persons employed by or directing those groups, and Edwards. The complaint suggests that these questionable relationships have benefited the Edwards campaign through unreported, excessive contributions, and excessive in-kind contributions. The complaint also alleges that the 501(c)(3) respondents "actively engaged in prohibited activities," although the complaint gives no specifics about such activity or how it violates FECA. Most respondents have said that it was difficult to craft a response because the allegations in the complaint are vague and that the facts alleged do not state a violation of the Act. While the complaint alleges very few facts that implicate FECA, the respondents and allegations can be divided into three distinct groups: (1) those related to her private sector work,

¹ The complaint was filed by the campaign manager for Edwards' primary opponent two weeks before the hard-fought 2008 Primary Election.

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(2) those related to organizations that supported her candidacy, and (3) third-party vendors and organizations located at the same address as these vendors

A. Donna Edwards' Work in the Private Sector

Many of the allegations in the complaint focus on Edwards' role as Executive Director of The ARCA Foundation ("ARCA") and ARCA's relationship to other non-profit groups. ARCA is a 501(c)(3) organization "dedicated to the pursuit of social equity and justice." See www.arcafoundation.org/mission/htm. As Executive Director since January 2000, Edwards reviews grant proposals and makes recommendations to the ARCA Board of Directors regarding which proposals to fund. Edwards has taken leaves of absence from ARCA during two campaigns for federal office. On April 17, 2006, Edwards filed her Statement of Candidacy for the 2006 Primary Election and took a leave of absence from June 1, 2006 through September 15, 2006. On April 27, 2007, she filed her Statement of Candidacy for the 2008 Primary Election and took a leave of absence from August 31, 2007 through February 15, 2008.

The complaint alleges that Edwards, through ARCA, gave grants to the League of Conservation Voters ("LCV") and Friends of the Earth ("FOE"), and in return those groups contributed to the Committee, constituting unreported and excessive in-kind contributions. In her response, Edwards states that she makes recommendations on grant proposals to the ARCA Board but she has no authority to grant funds from ARCA. Edwards acknowledges that her Committee received contributions from the PACs of some of the respondents and from individuals employed by them, but she states that ARCA grants money to organizations on the merits of the grant application and "not based on any anticipated or possible political benefit." See Edwards Response at 2-3.

The Act, as amended by BCRA, provides that no person shall make contributions to any candidate and his or her authorized political committee with respect to any election for federal

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office, which, in the aggregate, exceed \$2,300 2 U S C § 441a(a)(1)(A) Further, candidates and political committees are prohibited from knowingly accepting any contributions in excess of the Act's limitations 2 U S C § 441a(f) Political committees must report receipts in their disclosure reports 2 U S C §§ 434(a) and (b)

The following chart summarizes the complaint allegations and responses, and recommends that the Commission find no reason to believe that any of the respondents listed below made excessive contributions or excessive in-kind contributions to the Edwards Committee Further, we recommend that the Commission find no reason to believe that Edwards or the Edwards Committee knowingly accepted and failed to report these alleged contributions

CHART 1

RESPONDENT	COMPLAINT ALLEGATIONS	RESPONSE	ANALYSIS
Donna Edwards, and Donna Edwards for Congress and Janice Edwards, in her official capacity as Treasurer	Edwards is the Executive Director of ARCA ARCA gave more than \$4 million in grants to 39 organizations that made \$138,500 in contributions to her committee	It is not clear what is being alleged See Edwards Response at 1-2 Donna Edwards only makes recommendations regarding grant recipients, the ARCA Board of Directors votes to determine grant recipients See <i>id</i> at 2-3 In addition, Edwards took leaves of absence from ARCA during her campaigns See <i>id</i>	There is no information suggesting that contributions to Edwards from respondent PACs and individuals employed by respondents were given in exchange for grants to the respondents from ARCA We recommend that the Commission find no reason to believe that Edwards or the Committee violated 2 U S C § 441a(f) by knowingly accepting excessive contributions or excessive in-kind contributions or that the Committee violated 2 U S C § 434(b) by failing to report any such contributions
ARCA	ARCA grants to organizations are excessive, in-kind contributions to Edwards because those organizations in-turn made contributions to Edwards	ARCA is a 501(c)(3) organization and only gives to other 501(c)(3) organizations See ARCA response at 3-4 The ARCA Board decides which organizations	There is no information suggesting that contributions to Edwards from respondent PACs and individuals employed by respondents were given in exchange for

RESPONDENT	COMPLAINT ALLEGATIONS	RESPONSE	ANALYSIS
		receive grants, not Donna Edwards. See <i>id.</i> , at 4. ARCA's grants to third parties are not contributions to Edwards. See <i>id.</i> at 2. The complaint fails to allege a single fact showing that ARCA funds benefited either of the Edwards' campaigns in any way. See <i>id.</i> at 2.	grants to the respondents from ARCA. We recommend that the Commission find no reason to believe that (1) ARCA violated 2 U.S.C. § 441a(a)(1) by making, or that Edwards or the Committee violated 2 U.S.C. § 441a(f) by accepting, excessive in-kind contributions to Edwards, or (2) the Committee violated 2 U.S.C. § 434(b) by failing to report any such contributions.
League of Conservation Voters	ARCA gave money to LCV. LCV gave money to Edwards and promoted her campaign.	LCV did not receive a grant from ARCA; the LCV Education Fund, a 501(c)(3) organization, did. See LCV Response at 1, n.1. The LCV Education Fund began to receive grants from ARCA in 1999, before Edwards started working there. See <i>id.</i> at 2.	LCV PAC made a contribution to Edwards, and individuals associated with LCV made individual contributions, all within legal limits. There is no information suggesting that contributions to Edwards from LCV's PAC and individuals employed by LCV were given in exchange for a grant to LCV Education Fund. We recommend that the Commission find no reason to believe that (1) LCV violated 2 U.S.C. § 441a(a)(1) by making, or that Edwards or the Committee violated 2 U.S.C. § 441a(f) by accepting, excessive in-kind contributions to Edwards, or (2) the Committee violated 2 U.S.C. § 434(b) by failing to report any such contributions.
Friends of the Earth	ARCA gave money to FOE. FOE endorsed Edwards and contributed to her campaign through board members, employees and its PAC.	FOE is a 501(c)(3) organization and did not endorse Edwards. See FOE Response, Blackwelder Affidavit at ¶¶ 2, 4. FOE PAC and FOE's president made legal	There is no information suggesting that contributions to Edwards from FOE's PAC and its president were given in exchange for grants to FOE from ARCA. We

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RESPONDENT	COMPLAINT ALLEGATIONS	RESPONSE	ANALYSIS
		contributions to the Edwards Committee See <i>id.</i> at ¶¶ 5-6	recommend that the Commission find no reason to believe that (1) FOE violated 2 U S C § 441a(a)(1) by making, or that Edwards or the Committee violated 2 U S C § 441a(f) by accepting, excessive in-kind contributions to Edwards, or (2) the Committee violated 2 U S C § 434(b) by failing to report any such contributions

B. Organizations that Supported Donna Edwards by Endorsing Her or Making Independent Expenditures on Her Behalf

The complaint also alleges that the Committee and certain respondents coordinated with each other such that the resulting communications constituted excessive, in-kind contributions. Based on the available information, it appears that these respondents conducted independent expenditure campaigns in support of Edwards' candidacy or publicly endorsed her, but did not engage in conduct resulting in coordination under Commission regulations.

Under the Act and Commission regulations, the terms "contribution" and "expenditure" include any gift of money or "anything of value" made by any person for the purpose of influencing a Federal election. See 2 U S C § 431(8)(A)(i) and (9)(A)(i), 11 C F R §§ 100 52(a) and 100 111(a). The phrase "anything of value" includes all in-kind contributions. See 11 C F R §§ 100 52(d)(1) and 100 111(e)(1). In-kind contributions include expenditures made by any person "in cooperation, consultation, or concert, with, or at the request or suggestion of" a candidate, a candidate's authorized committees, or their agents. 2 U S C § 441a(a)(7)(B)(i).

Commission regulations specify a three-prong test to determine whether a payment for a communication becomes an in-kind contribution as a result of coordination between the person

1 making the payment and a candidate. See 11 C.F.R. § 109.21(a)(1)-(3). Under the first prong of
2 the coordinated communication test, the communication must be paid for by a person other than
3 a candidate, a candidate's authorized committee, a political party committee, or agents of any of
4 the foregoing. See 11 C.F.R. § 109.21(a)(1). Under the second prong, the communication must
5 satisfy one of the four content standards set forth in 11 C.F.R. § 109.21(c).² Under the third
6 prong, the communication must satisfy one of the five conduct standards set forth in 11 C.F.R.
7 § 109.21(d).³

8 The allegations in the complaint were vague and speculative, and the respondents
9 generally submitted detailed responses explaining their relationships with the Edwards
10 Committee and refuting the allegations with facts and affidavits. Thus, we recommend that the
11 Commission find no reason to believe that any of the respondents listed below made excessive
12 in-kind contributions in the form of coordinated communications, or that Edwards or the

² After the decision in *Shays v. FEC*, 414 F.3d 76 (D.C. Cir. 2005) (Court of Appeals affirmed the District Court's invalidation of the fourth, or "public communication," content standard of the coordinated communications regulation), the Commission made revisions to 11 C.F.R. § 109.21 that became effective July 10, 2006. In a subsequent challenge by Shays, the U.S. District Court for the District of Columbia held that the Commission's content and conduct standards of the coordinated communications regulation at 11 C.F.R. § 109.21(c) and (d) violated the Administrative Procedure Act, however, the court did not vacate the regulations or enjoin the Commission from enforcing them. See *Shays v. FEC*, 508 F.Supp.2d 10, 70-71 (D.D.C. Sept. 12, 2007) (NO. CIV. A. 06-1247 (CKK)) (granting in part and denying part the respective parties' motions for summary judgment). Recently, the D.C. Circuit affirmed the district court with respect to, *inter alia*, the content standard for public communications made before the time frames specified in the standard, and the rule for when former campaign employees and common vendors may share material information with other persons who finance public communications. See *Shays v. FEC*, ___ F.3d ___, (D.C. Cir. 2008).

³ The conduct prong is satisfied where any of the following types of conduct occurs: (1) the communication was created, produced or distributed at the request or suggestion of a candidate or his campaign, (2) the candidate or his campaign was materially involved in decisions regarding the communication, (3) the communication was created, produced, or distributed after substantial discussions with the campaign or its agents, (4) the parties contracted with or employed a common vendor that used or conveyed material information about the campaign's plans, projects, activities or needs, or used material information gained from past work with the candidate to create, produce, or distribute the communication, (5) the payer employed a former employee or independent contractor of the candidate who used or conveyed material information about the campaign's plans, projects, activities or needs, or used material information gained from past work with the candidate to create, produce, or distribute the communication, or (6) the payer republished campaign material. See 11 C.F.R. § 109.21(d).

- 1 Edwards Committee knowingly accepted and failed to report these alleged contributions. The
2 following chart summarizes the allegations, responses, and analysis.

3 CHART 2

RESPONDENT	COMPLAINT ALLEGATIONS	RESPONSE	ANALYSIS
League of Conservation Voters	ARCA gave money to LCV. LCV gave money to Edwards and promoted her campaign. There's an "appearance of coordination."	LCV conducted an independent expenditure campaign for Edwards. See LCV Response at 2-3. LCV had a firewall in place, which included no communications with Edwards, her campaign staff or volunteers, no unauthorized comments to the press, and no unauthorized volunteer efforts for her campaign. See <i>id.</i> at 2. LCV Board members and staff were given specific instructions and reminders on firewall procedures. See <i>id.</i> Edwards also was granted a leave of absence from the LCV Board as soon as she announced her 2008 candidacy. See <i>id.</i> In sum, Edwards was "ex-communicated." See <i>id.</i> In addition, independent expenditures were properly reported. See <i>id.</i> at 3.	The complaint's allegations are vague, and LCV has responded that it "ex-communicated" Edwards by granting her a leave of absence from its Board of Directors and through implementation of its firewall policy. Based on the absence of facts alleging conduct that would constitute coordination and LCV's specific response, there is no information that the conduct standard of the coordination regulations has been met. See 11 C.F.R. § 109.21(d). We recommend that the Commission find no reason to believe that (1) LCV violated 2 U.S.C. § 441a(a)(1) by making, or Edwards or the Committee violated 2 U.S.C. § 441a(f) by accepting, an excessive in-kind contribution in the form of a coordinated communication, or (2) the Committee violated 2 U.S.C. § 434(b) by failing to report such a contribution.
EMILY's List and Ranny Cooper, in his official capacity as Treasurer	Edwards and EMILY's List have "clearly joined forces." EMILY's List sent an email promoting Edwards' candidacy, and it was approved and authorized by Edwards.	The complaint does not allege a violation of FECA. See EMILY's List Response at 1-2. The Edwards Committee authorized and paid for the email sent by EMILY's List. See <i>id.</i> at 1. EMILY's List has a firewall to protect itself from speculative allegations of coordination. See <i>id.</i> The Edwards Committee states	The complaint does not allege facts that state a violation of the Act. Moreover, EMILY's List has set forth specific facts to refute charges of coordination, including that the Committee paid for the communication. Thus, the payment prong of the coordination regulations is not met. See 11 C.F.R. § 109.21(a)(1). We recommend that the

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RESPONDENT	COMPLAINT ALLEGATIONS	RESPONSE	ANALYSIS
		in its response that it paid EMILY's List for web services and properly reported those expenditures See Edwards Response at 4	Commission find no reason to believe that (1) EMILY's List and its treasurer, violated 2 U S C § 441a(a)(1) by making, or that Edwards or the Committee violated 2 U S C § 441a(f) by accepting, an excessive in-kind contribution in the form of a coordinated communication, or (2) the Committee violated 2 U S C § 434(b) by failing to report such a contribution
1199 SEIU and 1199 SEIU Federal Political Action Fund ("1199 SEIU PAC") and Patrick Gaspard, in his official capacity as Treasurer	SEIU disseminated campaign literature It may have "collaborated" with Edwards Also, Edwards and Anna Burger, the SEIU national political head, co-founded They Work For Us, Inc (see below)	The 1199 SEIU PAC produced, paid for and mailed literature in support of Edwards' 2008 campaign as part of an independent expenditure effort See 1199 SEIU Response, Gaspard Affidavit, ¶¶ 6-7 The PAC treasurer attests that no one associated with SEIU discussed the literature with Edwards or anyone affiliated with the campaign, there is a firewall in place See <i>id</i> at ¶¶ 8, 12-13 The treasurer checked with the literature vendor to confirm that the vendor had no contract or contact with the Edwards Committee See <i>id</i> at ¶ 9 The only contact the treasurer had with Edwards was to tell her about the Union's endorsement See <i>id</i> at ¶ 10 Furthermore, Anna Burger is not associated with the 1199 PAC See <i>id</i> at ¶¶ 16-17 The Edwards campaign manager also states that no one from the Committee participated in the creation or dissemination of any literature intended for distribution beyond the	The complaint's broad legal conclusion that 1199 SEIU and 1199 SEIU PAC "collaborated" is not supported by facts Moreover, 1199 SEIU and 1199 SEIU PAC have set forth that there was no communication with Edwards or her campaign regarding the literature, and the vendor had no contact with them either Thus, it appears that the conduct standard of the coordination regulations has not been met See 11 C F R § 109 21(d) The Edwards Committee's response leaves open the possibility that her campaign worked on union communications to its restricted class, but this activity would not constitute coordination because the regulation's content standard would not be met, see 11 C F R § 109 21(e), and would be permissible under 11 C F R §§ 114 2(e) and 114 3(a) We recommend that the Commission find no reason to believe that (1) 1199 SEIU and 1199 SEIU PAC and its treasurer, violated 2 U S C § 441a(a)(1) by making, or that Edwards or

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RESPONDENT	COMPLAINT ALLEGATIONS	RESPONSE	ANALYSIS
		Union membership See Edwards Response, Christian Affidavit, ¶ 2	the Committee violated 2 U S C § 441a(f) by accepting, an excessive in-kind contribution in the form of a coordinated communication, or (2) the Committee violated 2 U S C § 434(b) by failing to report such a contribution
They Work for Us, Inc ("TWFU")	TWFU "apparently facilitated placement of political ads in conjunction with SEIU " TWFU has become a conduit for campaign contributions and an alleged 501(c)(4) "lobbying wing " Edwards coordinated with TWFU	Edwards is on the Board of Directors of TWFU See TWFU Response, Rosenfield Declaration, ¶ 3 She recused herself from TWFU Board discussions regarding the race in Maryland District 4 since shortly after she announced her candidacy in April 2007 See id ¶ 5 She took a leave of absence from her position as director of TWFU in August 2007 See id ¶ 3 TWFU never made a monetary contribution or provided any goods, services, or any other thing of value to the Edwards campaign See id ¶ 10 The Edwards' campaign manager attests that no one from the Committee participated in any literature or ad that may have been sent by TWFU See Edwards Response, Christian Affidavit, ¶ 3	The complaint does not allege facts that state a violation of the Act The vague allegation that TWFU worked with SEIU, another non-profit organization, does not constitute coordination See 11 C F R § 109.21(a) TWFU states that it never provided anything of value to the Edwards campaign and that no one at TWFU had any contacts with her or her campaign since April 2007 TWFU did, however, fund a radio broadcast that referred to Edwards' opponent shortly before the February 2008 Primary See TWFU Response to RFAI, May 22, 2008 TWFU filed a Form 9 with the Commission to disclose this Electioneering Communication (albeit late) We have not been able to obtain a copy of the radio ad Based on the facts alleged and the responses, there is no information that the conduct standard of the coordination regulations has been satisfied, as the radio ads aired in early 2008 and the last communications between TWFU and Edwards appear to have been in early to mid-2007 Moreover, the Edwards campaign manager specifically states that no one from the campaign staff

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RESPONDENT	COMPLAINT ALLEGATIONS	RESPONSE	ANALYSIS
			<p>participated on any literature or ad with TWFU. We recommend that the Commission find no reason to believe that (1) TWFU violated 2 U.S.C. § 441a(a)(1) by making, or that Edwards or the Committee violated 2 U.S.C. § 441a(f) by accepting, an excessive in-kind contribution in the form of a coordinated communication, or (2) the Committee violated 2 U.S.C. § 434(b) by failing to report such a contribution.</p>
<p>Communities Voting Together, a public advocacy, unincorporated association with a related "527" group</p>	<p>CVT disseminated a mailer, which constitutes an excessive and unreported contribution. CVT hired canvassers to assist the Edwards campaign.</p>	<p>CVT disseminated issue advocacy leaflets in 2006 and 2008 that referred to Edwards' opponent Al Wynn. See CVT Response, at 2, see also CVT Response, Robinson Declaration, ¶¶ 2-3, 5. CVT did not discuss the leaflets with the Edwards campaign. See Robinson Decl., ¶¶ 3, 6. CVT hired CSI, a common vendor, to create and disseminate CVT issue advocacy leaflets, not to "assist the Edwards campaign." See <i>id.</i> ¶ 7. The leaflets were mailed in 2006 and mailed and hand-delivered in 2008. See <i>id.</i> ¶¶ 2, 5. The Executive VP of CSI, who was responsible for the 2006 and 2008 projects, attests that he did not discuss the projects with other CSI employees except as necessary to implement them, and he had no information regarding needs, plans, projects, or activities of the Edwards campaign. See <i>id.</i> ¶¶ 3, 6. The Edwards campaign manager also attests that</p>	<p>The responses, including affidavits, sufficiently rebut the complaint's vague allegations that CVT and Edwards coordinated the CVT leaflets. The responses specifically rebut allegations that they engaged in conduct that would meet the requirements of 11 C.F.R. § 109.21(d). Furthermore, the 2006 leaflet, and the purportedly similar 2008 leaflet, are issue focused and ask the reader to call Wynn to explain his energy policies. We recommend that the Commission find no reason to believe that (1) CVT violated 2 U.S.C. § 441a(a)(1) by making, or that Edwards or the Committee violated 2 U.S.C. § 441a(f) by accepting, an excessive, in-kind contribution in the form of a coordinated communication, or (2) the Committee violated 2 U.S.C. § 434(b) by failing to report such a contribution.</p>

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RESPONDENT	COMPLAINT ALLEGATIONS	RESPONSE	ANALYSIS
		the Committee was not involved in the production or dissemination of the CVT communications See Edwards Response, Christian Affidavit, ¶ 4	

C. Third-Party Vendors and Organizations Located at the Same Address as these Vendors

The complaint further alleges that several third parties made excessive in-kind contributions to the Edwards committee. It also alleges that the Edwards committee made expenditures to non-profit organizations and that many of these organizations must have collaborated because they have the same address. Almost all of these respondents state that they did not make contributions to the Committee, and that any payments to them were for services rendered as many of these respondents are vendors. The remaining respondents state that they are merely located at the same address as other respondents. Thus, we recommend that the Commission find no reason to believe that these respondents violated the Act. The following chart lists these respondents and summarizes the allegations, responses, and analysis.

CHART 3

RESPONDENT	COMPLAINT ALLEGATIONS	RESPONSE	ANALYSIS
SEIU Local 100	SEIU Local is at the same address as CVT, see <i>supra</i> Chart 2, and ACORN (see below). The chief organizer of Local 100 is the founder of ACORN.	To the extent the complaint implies any improper conduct in the Edwards campaign, it is denied. See SEIU Local 100 Response at 2. SEIU Local 100 was not involved with the campaign. See <i>id.</i> , Fitzmaurice Affidavit, ¶ 4. SEIU Local 100 did not contribute to or cooperate with the Edwards Committee. See SEIU Local 100 Response at 2, see also <i>id.</i> , Fitzmaurice Affidavit, ¶ 4. SEIU Local	The facts alleged do not state a FECA violation. It appears that SEIU Local 100 has no connection to the Edwards Committee. We recommend that the Commission find no reason to believe that SEIU Local 100 violated the Act.

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RESPONDENT	COMPLAINT ALLEGATIONS	RESPONSE	ANALYSIS
		100 is a labor organization representing employees in Louisiana, Texas, and Arkansas. Fitzsimmons Affidavit, ¶ 3. It has no operations in Maryland. <i>Id.</i>	
Citizens Consulting, Inc.	No allegations	The complaint does not allege that CCI violated the Act. See CCI Response at 1. CCI provides consulting services, including administrative, financial, bookkeeping, and legal support. See <i>id.</i> at 2. Some CCI clients use our address as a point of contact for administrative functions. See <i>id.</i> The only reference to Citizens Consulting Inc. in the complaint is that CCI has the same address as other respondents. See <i>id.</i>	The facts alleged do not state a FECA violation. It appears that CCI has no connection to the Edwards Committee. We recommend that the Commission find no reason to believe that CCI violated the Act.
Citizens Services, Inc., a political consulting firm	The Edwards committee paid \$76,866 to Citizens Services Inc. for get-out-the-vote activities. This non-profit received money in a coordinated effort and engaged in political activity.	CSI is a vendor and had a contract with the Edwards committee to perform get-out-the-vote canvassing and phone bank operations, which the Edwards committee paid for and disclosed in its disclosure reports. See CSI Response at 1. This is a standard commercial transaction between a campaign and a vendor. See <i>id.</i> CSI subcontracted some of the work to ACORN (see below). See <i>id.</i>	The Edwards Committee paid CSI for work, and CSI appears to have operated as a vendor. The facts alleged do not state a violation of the Act. We recommend that the Commission find no reason to believe that CSI violated the Act.
ACORN	ACORN has made independent expenditures on behalf of Edwards.	ACORN has not made independent expenditures on behalf of Edwards. See ACORN Response at 1. In 2006, ACORN provided field services to the Edwards campaign, as CSI's subcontractor. See <i>id.</i> , Klein Declaration, ¶ 3. ACORN did not make any public communications in 2006 or 2008 that referred to Edwards. See ACORN Response at 2. Edwards attended a press conference where ACORN announced	The facts alleged do not state a FECA violation. ACORN appears to have operated as a sub-vendor to CSI. Although not alleged in the complaint, the available information suggests that ACORN handled the announcement of its endorsement properly pursuant to 11 C.F.R. § 114.4(e)(6). We recommend that the Commission find no reason to believe that ACORN violated the Act.

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RESPONDENT	COMPLAINT ALLEGATIONS	RESPONSE	ANALYSIS
		its endorsement of her for the 2008 primary See Katzenberg Declaration, ¶ 7 Other than the endorsement, ACORN never made a communication to the public that expressly advocated the election of Edwards or defeat of Wynn See Response at 2, Katzenberg Declaration, ¶ 7	

III. RECOMMENDATIONS

- 1 Find no reason to believe that Donna Edwards violated 2 U S C § 441a(f)
- 2 Find no reason to believe that Donna Edwards for Congress and Janice Edwards, in her official capacity as Treasurer, violated 2 U S C §§ 434(b) and 441a(f)
- 3 Find no reason to believe that ARCA Foundation violated 2 U S C § 441a(a)(1)
- 4 Find no reason to believe that League of Conservation Voters violated 2 U S C § 441a(a)(1)
- 5 Find no reason to believe that Friends of the Earth violated 2 U S C § 441a(a)(1)
- 6 Find no reason to believe that EMILY's List and Ranny Cooper, in his official capacity as Treasurer, violated 2 U S C § 441a(a)(1)
- 7 Find no reason to believe that 1199 SEIU and 1199 SEIU Federal Political Action Fund and Patrick Gaspard, in his official capacity as Treasurer, violated 2 U S C § 441a(a)(1)
- 8 Find no reason to believe that They Work For Us violated 2 U S C § 441a(a)(1)
- 9 Find no reason to believe that Communities Voting Together violated 2 U S C § 441a(a)(1)
- 10 Find no reason to believe that SEIU Local 100 violated the Act
- 11 Find no reason to believe that Citizens Consulting, Inc violated the Act
- 12 Find no reason to believe that Citizens Services, Inc violated the Act
- 13 Find no reason to believe that ACORN violated the Act

14 Approve the attached Factual and Legal Analyses


15 Approve the appropriate letters

16 Close the file

Thomasena P Duncan
General Counsel

7-15-08
Date

BY


Kathleen Gunth
Acting Deputy Associate General Counsel
for Enforcement


Julie McConnell
Assistant General Counsel


Elena Paoli
Attorney

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